

PUBLIC CHAPTER NO. 78

SENATE BILL NO. 1205

By Southerland

Substituted for: House Bill No. 700

**By McCord, DuBois, Montgomery, Coleman, Hawk, Sargent, Watson,
Yokley, Litz, Briley, Curt Cobb, Rinks**

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18 and Title 66, Chapter 5, relative to sales of residences.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-18-104(b)(42), is amended by deleting the current language in its entirety and by substituting instead the following:

(42) (A) Knowingly advertising or marketing for sale a newly constructed residence as having more bedrooms than are permitted by the newly constructed residence's subsurface sewage disposal system permit, as defined in § 68-221-402, unless prior to the execution of any sales agreement the permitted number of bedrooms is disclosed in writing to the buyer. The real estate licensee representing the owner may rely upon information furnished by the owner.

(B) If a newly constructed residence is marketed for sale as having more bedrooms than are permitted by the subsurface sewage disposal system permit and no disclosure of the actual number of bedrooms permitted occurs prior to the execution of a sales agreement, then the buyer shall have the right to rescind the sales agreement and may recover treble damages as provided in § 47-18-109.

(C) A subsurface sewage disposal system permit issued in the name of the owner of a newly constructed residence shall serve as constructive notice to that owner of the newly constructed residence for the purpose of establishing knowledge as to the number of bedrooms of the newly constructed residence for the purpose of finding a violation of this subdivision. A real estate licensee representing such owner must have actual knowledge transmitted from such owner to said real estate licensee to be in violation of this subdivision.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.

PASSED: April 19, 2007



RON RAMSEY, SPEAKER
SENATE OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 3rd day of May 2007



PHIL BREDESEN, GOVERNOR